



# annual report

1964

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED



## board of directors

R. C. BERKINSHAW, C.B.E., TORONTO

P. P. DAIGLE, MONTREAL

A. W. DENNY, TORONTO

R. DEYOUNG, AKRON

W. E. ECCLESTONE, TORONTO

HOWARD L. HYDE, AKRON

A. DEANE NESBITT, O.B.E., D.F.C., MONTREAL

L. E. SPENCER, TORONTO

R. V. THOMAS, AKRON

## officers

L. E. SPENCER, *President and General Manager*

A. W. DENNY, *Vice-President, Production*

W. E. ECCLESTONE, *Vice-President, Sales*

D. C. CARLISLE, *Treasurer*

K. E. KENNEDY, Q.C., *Secretary and General Counsel*

H. A. BRUNDAGE, *Comptroller*

C. E. CLARKE, *Assistant Treasurer*

A. E. ROBINETTE, Q.C., *Assistant Secretary*

C. W. J. EVANS, *Assistant Comptroller*

D. F. CATTO, *Assistant Comptroller*



## PRODUCTS

TIRES } Passenger, Truck, Trailer,  
TUBES } Farm, Industrial, Airplane  
and special purpose

RETREAD AND REPAIR MATERIALS

BATTERIES

AUTOMOTIVE ACCESSORIES

BELTING

HOSE

TEXTILES

PACKING

MOLDED GOODS

PLIOFILM\*

PLIOBOND\*

AVIATION PRODUCTS

NEOLITE\*

RUBBER SOLES AND HEELS

\*Registered Trademark

## GENERAL OFFICES

NEW TORONTO, ONT.

## FACTORIES

NEW TORONTO, ONT.

TORONTO, ONT.

BOWMANVILLE, ONT. (2)

ST. HYACINTHE, QUE.

QUEBEC CITY, QUE.

VALLEYFIELD, QUE.

MEDICINE HAT, ALTA.

## WHOLESALE DISTRIBUTOR

ST. JOHN'S, NFLD.  
A. E. Hickman Company Limited

## BRANCHES

MONCTON, N.B.  
607 St. George St.

QUEBEC CITY, QUE.  
1225 Charest Blvd. West

MONTREAL, QUE.  
5700 Cote de Liesse Rd.

TORONTO, ONT.  
650 Kipling Ave. South, Toronto 18

WINNIPEG, MAN.  
1725 Sargent Avenue

REGINA, SASK.  
2410 Dewdney Ave.

SASKATOON, SASK.  
2035 First Ave. North

CALGARY, ALTA.  
238 - 11th Ave. East

EDMONTON, ALTA.  
11330 - 143rd St.

VANCOUVER, B.C.  
2625 Rupert St.



# Annual Report of the Directors

To the Shareholders:

The consolidated balance sheet of the Company and its subsidiaries as of December 31, 1964 and the consolidated statements of profit and loss and earned surplus showing the results of operations for the year, together with the report of the Company's auditors, Price Waterhouse & Co., are submitted herewith.

The consolidated net income for the year amounted to \$3,536,893 or \$12.73 per common share, as compared with \$2,576,279 or \$8.98 per common share for the year 1963.

Dividends on common stock, totalling \$6.00 per share and amounting to \$1,543,560 were paid during the year. Regular quarterly dividends totalling \$2.00 per share were paid on the 4% preferred shares.

The total cost of salaries, wages and employee benefits for the year was \$32,231,801, which includes the cost of maintaining the Company's pension, group insurance and hospitalization plans and related benefits amounting to \$2,194,616.

Taxes and duties of all kinds provided in 1964 totalled \$11,834,669, equivalent to \$46.00 per share of issued common stock as compared with \$8,253,720 or \$32.08 per share in 1963.

Capital expenditures during the year for expansion, improvements and replacements of property totalled \$7,171,672 and depreciation amounted to \$3,664,533.

Working capital amounted to \$26,828,592 and the ratio of current assets to current liabilities is 2.4 to 1 compared with 4.2 to 1 at the end of 1963.

Inventories of raw materials, work in process and finished goods have been thoroughly reviewed and valued on the basis of the lower of average cost or market.

Sales were substantially higher than in 1963, again setting a new all-time record in both dollar sales and in tonnage. These results reflected a sustained marketing effort in all lines of products and higher volume of production from expanded and new facilities which became available during the year.

This record accomplishment was a great deal more than merely sharing in the generally high level of prosperity in this country. It reflected an alertness to changing market conditions and thorough study and planning for new markets; modernized manufacturing facilities; new and improved products through research and development; intensified sales and advertising programs and more efficient distribution throughout our nation-wide operations.

To provide the most convenient and complete service to our customers, the Company improved both its wholesale and retail distribution systems through the addition of both dealer and store outlets in key markets and through new or additional arrangements with other forms of distribution.

Major improvements and expansions of our production facilities were carried out in 1964 in order to supply the growing demand for Goodyear products.

Construction of a new rubber reclaiming plant in Bowmanville, Ontario, was completed in August and is producing high quality product.

Seiberling Rubber Company of Canada, Limited, Toronto, Ontario, our new subsidiary, all the stock of which was acquired by us for cash, is an important manufacturer of passenger, truck and farm tires and tread rubber as well as other rubber products. Its facilities are also being modernized and expanded to meet its increasing sales and production requirements.

Construction of a new tire plant began in December at Valleyfield, Quebec, which will serve the rapidly growing Quebec and Maritime markets, bringing to eight the number of Goodyear production facilities in Canada.

The record-breaking year of your Company could not have been possible without the dedication, effort and loyalty of all Goodyear employees and dealers throughout the country. To them, we extend our sincere appreciation.

Almost every factor points to another good year in 1965. We foresee a greatly increased replacement tire market. Indications are that the automotive industry will have another banner year. In our general products or non-tire divisions, the outlook is for continued growth on almost every side, based upon the many favorable economic factors backed up by new and improved products and aggressive sales and marketing efforts.

We begin 1965 looking at the highest horizon in the Company's history. We believe that Goodyear is alert to the times and to the market-place and we look forward with confidence that the future will reflect continued growth in all divisions of your Company.

On behalf of the Board,

A handwritten signature in cursive script, reading "L E Spencer". The signature is written in dark ink and is positioned below the text "On behalf of the Board,".

February 4, 1965.

President and General Manager.



# THE GOODYEAR TIRE & RUBBER COMPANY OF

## consolidated

### assets

	DECEMBER 31	
	1964	1963
CURRENT ASSETS:		
Cash.....	\$ 1,581,220	\$ 2,068,013
Accounts receivable, less provision for bad debts — 1964 — \$1,122,620; 1963 — \$665,247.....	17,478,280	12,992,508
Inventories at cost or market, whichever is lower..	26,883,998	20,587,716
TOTAL CURRENT ASSETS.....	\$45,943,498	\$35,648,237
INVESTMENTS AND OTHER ASSETS:		
Shares, Bonds, Mortgages, etc. at cost or less ...	1,457,041	2,283,945
Deferred charges to future operations.....	179,404	90,948
	1,636,445	2,374,893
PROPERTY ACCOUNTS:		
Land, buildings, machinery and equipment, at cost	67,019,966	57,758,422
Less — Depreciation.....	47,181,920	41,222,940
	\$19,838,046	\$16,535,482
	<u>\$67,417,989</u>	<u>\$54,558,612</u>

APPROVED ON BEHALF OF THE BOARD:

*L E Spencer*

DIRECTOR

*R B Beckinslow*

DIRECTOR

# NADA, LIMITED AND SUBSIDIARY COMPANIES

## balance sheet

### liabilities

	DECEMBER 31	
	1964	1963
CURRENT LIABILITIES:		
Bank loans and overdrafts.....	\$ 2,452,453	—
Accounts payable and accrued liabilities.....	12,998,859	\$ 6,493,043
Accrued income and other taxes payable.....	3,549,012	1,993,642
Preferred stock dividend payable.....	65,582	66,413
Funded debt due within one year.....	49,000	—
TOTAL CURRENT LIABILITIES.....	\$19,114,906	\$ 8,553,098
FUNDED DEBT OF SUBSIDIARY.....	650,000	—
SHAREHOLDERS' EQUITY:		
Capital Stock:		
Four per cent, Cumulative Redeemable Sinking Fund Preferred Shares (par value \$50 per share; redeemable on call at \$53 per share):		
Authorized and outstanding—1964—131,164 shares; 1963—132,825 shares.....	6,558,200	6,641,250
Common shares, no par value:		
Authorized—290,660 shares; issued—257,260 shares.....	128,630	128,630
Capital Surplus.....	692,350	692,350
Earned Surplus.....	40,273,903	38,543,284
	47,653,083	46,005,514
	<u>\$67,417,989</u>	<u>\$54,558,612</u>

## consolidated profit and loss statement

	Year ended December 31	
	1964	1963
Profit from operations before providing for depreciation and income taxes.....	\$10,655,078	\$ 7,382,806
Income from investments.....	56,218	119,090
	<u>10,711,296</u>	<u>7,501,896</u>
Deduct:		
Provision for depreciation.....	3,664,533	2,953,966
Provision for income taxes .....	3,509,870	1,971,651
	<u>7,174,403</u>	<u>4,925,617</u>
Net Profit for the year.....	<u>\$ 3,536,893</u>	<u>\$ 2,576,279</u>

## consolidated earned surplus statement

	Year ended December 31	
	1964	1963
Balance at beginning of year.....	\$38,543,284	\$37,776,504
Net Profit for the year.....	3,536,893	2,576,279
	<u>42,080,177</u>	<u>40,352,783</u>
Deduct:		
Dividends:		
On four per cent. preferred shares .....	262,714	265,939
On common shares.....	1,543,560	1,543,560
	<u>1,806,274</u>	<u>1,809,499</u>
Balance at end of year.....	<u>\$40,273,903</u>	<u>\$38,543,284</u>

## notes to consolidated financial statements

1. The accounts of Seiberling Rubber Company of Canada, Limited are included in the 1964 consolidated statements from date of acquisition, May 1, 1964.
2. The accounts receivable at December 31, 1964, include \$843,112 due from affiliated companies and \$2,037,250 due to affiliated companies is included in accounts payable. These balances represent current accounts arising in the normal course of business.
3. Rentals payable under leases expiring more than three years from December 31, 1964, aggregate approximately \$765,000 annually.
4. An amount of \$600,000 has been provided in 1964 against investments.



# auditors' report

PRICE WATERHOUSE & CO.

55 Yonge Street  
Toronto 1

January 27, 1965

To the Shareholders of

THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED:

We have examined the consolidated balance sheet of The Goodyear Tire & Rubber Company of Canada, Limited and its subsidiary companies as at December 31, 1964 and the consolidated statements of profit and loss and earned surplus for the year ended on that date. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of profit and loss and earned surplus present fairly the consolidated financial position of the companies as at December 31, 1964 and the results of their operations for the year ended on that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A handwritten signature in dark ink, reading "Price Waterhouse & Co.", written in a cursive, flowing style.

Chartered Accountants.



**ALL-NEW  
\$1,600,000 PLANT  
TO RECOVER RUBBER  
FROM  
USED AUTOMOBILE TIRES  
IS NOW IN  
OPERATION**

**GETTING THINGS ROLLING.** Though it's a highly automated operation, Bowmanville Mayor Ivan M. Hobbs, (left) and Goodyear President L. E. Spencer used old fashioned muscle to throw first used tires onto a feeder conveyor belt.



**CANADA'S FIRST "DRY" PROCESS  
RECLAIM RUBBER PLANT**

The plant, the first in Canada to use the "dry" process, will reclaim about 10 million lbs. of rubber per year.

"Reclaim", is a basic ingredient incorporated in practically all manufactured rubber products — the world over.

This plant is the first of a two stage development planned for Bowmanville. When the second step is completed, production will be doubled. Canada will then be self-sufficient regarding this raw material thereby further improving the Canadian international balance of payments position.

The strength of our Company lies in the adherence to a policy of planned expansion that will more than ever make Goodyear, the greatest name in rubber.



**SCREEN TEST.** Ground tires are carried by conveyor to the first screening in second stage of a process involving two dozen operations. Mr. Leo Huhta, Manager of Goodyear's Reclaim Division, shown inspecting the screen.





Mr. L.E. Spencer, President of The Goodyear Tire & Rubber Company of Canada, Limited, hands a \$198,000 cheque to Mayor Robert Cauchon of Valleyfield, Quebec. Mr. A.W. Denny, Vice-President of the company, and Notary Yves Gosselin look on.

The event, concluding Goodyear's acquisition of land for a new tire plant in Valleyfield, Quebec, took place at City Hall, on December 2, 1964. It was preceded by a sod turning ceremony.

Goodyear's new plant is expected to be in production in September 1965.





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**DOUBLE**   **EAGLE**

**"THE WORLD'S FINEST TIRE"**

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